

MOTION BY MAYOR MICHAEL D. ANTONOVICH

JANUARY 24, 2006

In 1995 when this Board approved the Medicaid 1115 Waiver with the Federal government, one of the goals was to provide the Department of Health Services (DHS) with financial support in order to restructure the system and become financially solvent. The Board committed to change the way we provide healthcare by decreasing inpatient days, expanding outpatient services, and providing managed care for acute chronic illnesses. The goal was to restructure using the infusion of Federal dollars to create a "soft landing" rather than face severe cuts or "falling off a cliff."

Now, ten years later, the County continues to struggle with a mounting deficit, and the "soft landing" plan touted in 1995 is turning into a "free fall" with no indication that there are plans or timeframes being prepared to address the nearly \$400 million deficit projected in Fiscal Year 2007-08 rising to over \$1.1 billion in Fiscal Year 2009-10. Despite assurances from the Chief Administrative Officer in his June 16, 2005 memo that DHS would return in mid-year 2005-06 with a deficit reduction plan, the only indication the Board has received to date of any thought DHS has put into this is that "the Department will begin laying the groundwork to develop approaches for addressing the much larger cumulative future fiscal year projected shortfalls."

To make an informed and fiscally responsible decision, the Board of Supervisors needs to be informed on how DHS plans to address the deficit before it grows to over \$1.1 billion (Fiscal Year 2009-10).

I, THEREFORE, MOVE that the Board direct the Acting Director of Health Services to report on April 18, 2006, a deficit management plan which addresses the projected shortfall of \$1.1 billion in Fiscal Year 2009-10.

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MDA:kblsc

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